



October 17, 2003

The Honorable William M. Thomas
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Thomas:

We commend you for your continued leadership in reforming the international tax provisions of U.S. tax law and making other tax changes that promote U.S. jobs and competitiveness. As you know, FedEx Corporation strongly supports your legislation addressing fundamental inequities that undermine the competitiveness of U.S. companies.

In particular, we are pleased to note your inclusion of a proposal to reduce the number of foreign tax credit baskets from nine to two. By enhancing the ability of U.S. companies to credit foreign taxes paid against U.S. tax on foreign income, this proposal will reduce the potential for double taxation and increase the competitiveness of U.S. companies.

We understand that you may need to modify your bill as it advances through the legislative process. As you consider changes to your legislation, we believe it is essential to the goal of international tax reform that your proposal to reduce the number of foreign tax credit baskets be retained. This proposal is one of the most important steps Congress can take to address the harmful and anti-competitive double-taxation of the foreign earnings of U.S.-based companies.

We look forward to working with you as your legislation moves forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Frederick W. Smith", written in a cursive style.

Frederick W. Smith

cc: Bob Winters
Greg Nickerson